Amfac, Bass Brothers combine to reduce debt, renovate hotels

By Joe Edwards

SAN FRANCISCO—Amfac Inc. and Bass Brothers Enterprises have formed a partnership which has borrowed $123 million to help Amfac finance renovation of its Hawaiian resorts, develop additional hotels and resorts and reduce its short-term borrowings.

Under terms of the partnership agreement, Bass Brothers has relinquished its 11% Amfac holdings and agreed not to acquire any more Amfac securities except through the partnership, know as Fort Associates Limited Partnership.

Amfac, Hawaii's second largest resort operator, and Bass Brothers, a Fort Worth, Tex.-based firm controlled by one of the nation's wealthiest families, first disclosed their plan to work together last spring, but financing for the venture was only secured recently through a consortium of lenders led by Merrill Lynch Private Capital Inc.

Fort Associates Limited Partnership will distribute about $70.5 million to Amfac and about $52.5 million to the Bass interests in return for land, hotels and Amfac stock.

Amfac is contributing to the partnership the simple interest in the land at the Royal Lahaina Hotel in Maui; a concession operating agreement for the resort facilities at the Grand Canyon in Arizona, and hotel operating agreements for the Royal Lahaina and the Coco Palms Hotel in Kauai.

It also is selling the Royal Lahaina Hotel, exclusive of the land; the simple interests in the property under the Hyatt Regency and Marriott hotels at the Kaanapali Beach Resort; the Coco Palms Hotel and other properties to the partnership for $145 million.

Amfac's profit from these sales will be deferred until the properties can be sold to third parties, an Amfac spokesman said. Amfac continues to manage all hotel resort properties contributed to or sold to the partnership.

Bass Brothers Enterprises is contributing approximately 1.6 million shares of Amfac common stock and certain land in Waikoloa.

Before the partnership was formed, it was thought Bass Brothers might unload its substantial Amfac holdings on the market, depressing Amfac's stock. This complex partnership deal has prevented that from happening.

Amfac's management late last year reportedly was concerned that Bass Brothers Enterprises was heading in the opposite direction—contemplating a takeover of Amfac. By the first of this year, Bass Brothers Enterprises had become Amfac's second largest stockholder.

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Amfac's contribution to the partnership includes interest in its beachfront land on the Hawaiian island of Maui.

Holiday Inns casts off shipping line

MEMPHIS—Holiday Inns Inc. has agreed to sell Delta Steamship Lines Inc. to Crowley Maritime International Inc. of San Francisco for an estimated $96 million.

The sale, subject to U.S. Maritime Administration approval, is expected to be finalized Oct. 15. Delta is a United States flag carrier with 24 ships.

The lodging, food-service and gambling company first disclosed its intention to sell the New Orleans-based shipping subsidiary last spring.

By selling off Delta Lines, Holiday Inns completes its transformation to a streamlined corporation concentrating on hospitality. Until recent years, Holiday Inns had a wide range of interests including bus lines, shipping and furniture manufacturing in addition to its restaurants and hotels.

Holiday Inns now operates and franchises hotels and motels; operates casinos through its Harrah's subsidiary, and operates and franchises Perkins family restaurants.

Crowley Maritime International Inc. is a subsidiary of Crowley Maritime Corp., a tugboat and barge operator operating mostly on the West Coast. A privately owned company, Crowley had an estimated $400 million in gross revenues last year.

Holiday Inns expects a one-time aftertax loss of about $25 million on the sale. Delta's operating profits were about $46 million on revenues of $413 million in 1981. Delta carries cargo from Atlantic, Pacific and Gulf of Mexico ports in the United States to South America, Central America, the Caribbean and West Africa.

ShowBiz, Brock moving hq. from Topeka to Dallas

TOPEKA, Kan.—The Brock Hotel Corp., including ShowBiz Pizza, is moving its headquarters to Irving, Tex., a suburb of Dallas.

This new headquarters will be across the street from the Dallas-Fort Worth airport where a Holiday Inn is undergoing extensive refurbishment in order to become the flagship property. Nearby Oklahoma City sports all the Brock Hotel concepts: a Park Suite Hotel, four Holiday Inns, the long stay Residence Inn and a ShowBiz Pizza Place.

Brock has already acquired additional space for ShowBiz Pizza in the building adjacent to its new headquarters.

Gulick appointed food-service vp for McCrory

YORK, Pa.—Leo Gulick, former national food-service director at Montgomery Ward stores, has been named food-service vice president at McCrory stores here.

Don Noll, former food-service vice president, was named national food-service operations manager and continues as a vice president. He reports to Gulick.

F.D.A. concedes decline in food safety law enforcement

By Ken Rankin

ROCKVILLE, Md.—The Food and Drug Administration acknowledged that enforcement of Federal food laws has declined since President Reagan took office, but agency officials attributed the decline to a long-range trend toward voluntary industry compliance which began during the Eisenhower Administration.

In a four-page statement designed to rebut recent charges that pro-business Reagan Administration policies have triggered a dangerous decline in Federal food and drug enforcement, F.D.A. officials argued that the "crime rate" among regulated industries has fallen because of this growing "emphasis on cooperative action."

But an independent *Nation's Restaurant News* analysis of the latest enforcement statistics issued by the agency found that F.D.A.'s efforts to police the Federal food and drug laws declined even more sharply under the Reagan Administration than militant consumer groups had originally charged.

Earlier this year Ralph Nader's Health Research Group released a report based on the agency's records indicating that the total number of enforcement actions involving F.D.A.-regulated products—seizures, injunctions, prosecutions, and "regulatory letters" to manufacturers—had fallen 45% during President Reagan's first year in office.

The new F.D.A. figures—which cover the first 10½ months of the Government's current 1982 fiscal year—reveal that agency enforcment is now down more than 66% below the average rate for any comparable period under the Carter Administration.

NRN's analysis of the agency's own figures found that the F.D.A. initiated 917 enforcement actions during the average 10½-month period between FY 1977 and FY 1980. But between Oct. 1, 1981 and Aug. 15 of this year, F.D.A. undertook only one-third as many seizures, court actions and other enforcement initiatives—a total of just 308.

Specifically, the *NRN* analysis found that the number of injunctions sought by F.D.A fell 59% from a 10½-month average of 27 under the previous administration to 11 so far this year. Seizures, meanwhile, declined 62% (from 440 to 165), and F.D.A. regulatory letters are off 73% (from 429 to 114).

Although F.D.A. officials maintained that their prosecution rate is now "steady or up" from previous years, the agency's own figures indicate that the number of firms prosecuted so far this year is at least 14% below the '77 to '80 average (18 vs. 21).

These F.D.A. figures confirm H.R.G.'s most recent charge that food and drug enforcement levels have fallen more than 66% during the current year—an assertion that led the public health group to request a Congressional investigation into what Vice President George Bush has called a "partnership" between the Reagan Administration and industry.

In attempting to refute those charges, F.D.A.'s statement did not specifically mention the Nader study or the allegation by H.R.G. that "the Reagan Administration is well on its way to bringing back adulterated foods . . . as a result of its promise to get Government off the backs of industry."

Instead, agency regulators said the enforcement decline may be due in part to "an emphasis on cooperative approaches to compliance" which began in 1955. This emphasis on voluntarism caused F.D.A. to develop a number of "Good Manufacturing Practice" (G.M.P.) regulations which provide food processors with clearer guidelines for complying with agency requirements. As a result, F.D.A. said, manufucturer "violations—the 'crime rate'—may be down."

During the first half of FY '82, F.D.A's new "voluntary correction reporting system" verified over 2,400 voluntary compliance actions by manufacturers. Of these actions, 502 in-

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HIGHLIGHTS IN THIS ISSUE

6 There's no such animal as the "perfect" kitchen, but a well thought out and executed kitchen design can mean the difference between chaos and high costs on the one hand and coordination and tidy profits on the other, says *NRN* editor Charles Bernstein in an editorial.

14 With a little reworking of proven ideas and a few new twists thrown in, Restaurant Associates pulled together the food-service operations for another 13-day U.S. Tennis Open at the National Tennis Center this month.

18 Combining fried chicken with beer and wine has virtually quadrupled the sales per chicken for a three-unit Brown's franchisee in Chicago.

21 As part of the renovations to New York's Barbizon Hotel, three new restaurants have been designed that will each reflect a different aspect of French cuisine and each appeal to a different clientele.

41 Persistence and hard work have paid off for Leslie Revsin, whose intense style of American cooking has propelled her from homebody to the Waldorf-Astoria's first female chef. And now she has a restaurant all her own.

48 It wasn't enough to watch proper Englishmen fingering pizzas, so now an American entrepreneur in London has them tackling the ultimate in finger food: barbecued ribs.

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FINANCIAL NEWS

Sales gain fuels Frisch's 35% profit rise

CINCINNATI—Frisch's Restaurants Inc. reported a 35% earnings rise to $3.8 million on a 3.8% revenues increase to $106.6 million for fiscal 1982, ended May 30. Operating profit for the year was about $7 million.

In fourth quarter, net income was $997,000, off slightly from the $1 million reported in the same period a year earlier, on revenues of $25.5 million. Operating profit for the period was $1.5 million.

Overall improved performance was due mostly to a 6.7% sales increase at the 198 company operated and franchised Big Boy coffee shops. A company spokesman said the sales rise was the result of aggressive advertising and cost control policies initiated in 1981.

In addition to the 108 company operated and 90 franchised Big Boys, Frisch's operates 25 Roy Rogers units; four Prime 'n Wine dinnerhouses, and two Quality Inn motels with restaurants.

Frisch's is ready to open one Big Boy and two Roy Rogers units, its first physical expansion in more than two years. Other new units are planned during the next eight months, though the company has not disclosed how many.

Average unit sales at company owned Big Boys rose to $756,000 from $711,000 in fiscal 1981. Unit volume at franchised Big Boy units rose to $693,000 from $636,000 in 1981. Total sales for all Big Boys in Frisch's system were $145.4 million.

At Frisch's franchised Roy Rogers restaurants, average unit sales dropped $3,000 to $412,000; total Roy Rogers sales were $11.4 million for the year. By comparison, Roy Rogers restaurants operated by parent Marriott Corp. have an average annual unit volume of $850,000 to $900,000.

Sales also were off at Frisch's Quality Inns and their restaurants in the Cincinnati area and the company's four Prime 'n Wine dinnerhouses in the Cincinnati and Dallas areas.

A room remodeling program and stepped-up marketing boosted occupancy rates at the motels in the latter part of the year, according to the company's annual report.

This year's capital spending budget includes funds for upgrading the Prime 'n Wine units in a bid to improve customer traffic. Also on tap is the remodeling and upgrading of about 30 Frisch's restaurants which will receive additional seating, soup and salad bars and drive-thru windows.

Frisch's last year tested soup and salad bars at six Big Boy units. Results warranted expansion of those tests to additional units, according to the company.

Clam chowder and a tuna melt sandwich have been added to Kip's Big Boy coffee shops and two sandwiches, a ham and swiss on rye and a chicken filet, are in test at several Roy Rogers restaurants.

Piccadilly yearly earnings advance 7%

BATON ROUGE, La.—Piccadilly Cafeterias Inc. reported a 7% increase in net profit to $8.4 million for the fiscal year ended June 30, a 7% increase over 1981.

Sales for the fiscal year were $142.6 million, a gain of 12% over 1981.

Fourth-quarter net declined 17% to $1.7 million as sales rose 11% to $37 million, compared to last year's final period.

The first of five to seven planned cafeterias in fiscal 1983 was due to open in October in Asheville, N.C. Expansion is being financed by internal funds.

Piccadilly finished fiscal 1982 with 82 cafeterias in 13 Sunbelt states.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended Sept. 10							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
					Change		52-Week																				
Name	Symbol	High	Low	Close	Amt.	Pct.	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.			Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
		$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	6.25	5.88	5.88	.25	4.44	7.50	3.50	.00	.24	1.67	-25.36	.47	-.43	N	-95.5	-25.0	4.3	293.8	.00	.0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	19.50	18.00	18.88	.75	4.14	20.88	10.00	-.11	-.06	-.86	-8.42	2.17	.44	F	25.4	35.0	7.0	8.7	.22	1.2	08-10-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	33.75	31.13	33.00	1.75	5.60	33.75	23.50	.12	1.09	-1.90	12.97	4.00	-1.28	N	-27.0	-2.0	1.5	9.5	2.00	6.1	08-26-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	5.75	5.38	5.75	.38	6.98	6.50	4.88	-.49	.81	-4.45	18.75	.66	-.01	N	-1.5	-10.0	2.6	9.1	.12	2.1	09-07-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	5.88	4.75	5.88	1.00	20.51	6.50	2.88	-.42	3.25	-3.44	11.25	.62	.11	S	18.9	32.0	2.4	8.5	.00	.0	00-00-00	86.2	2.1	1.2	1.5	3	1081
Bob Evans Farms	BOBE	25.00	23.50	25.00	1.00	4.17	25.75	16.13	.06	1.65	1.55	26.30	1.45	.20	Q	16.0	24.0	7.9	17.2	.36	1.4	08-16-82	173.4	13.7	1.7	.0	7	0482
Bonanza Intl Inc	BNZA	2.00	1.88	2.00	.13	6.67	2.38	1.06	-.59	1.63	-4.37	57.10	-3.33	-2.56	S	NE	-65.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.2	2	1281
Brock Hotel Cp	BHC	14.50	12.13	13.63	1.00	7.92	17.50	9.63	.11	.96	-2.71	-12.46	.59	.40	S	129.0	24.0	4.3	19.2	.10	.7	06-29-82	165.1	7.1	1.2	11.0	4	1281
Calny Food	CLNY	8.75	8.50	8.50	.00	.00	9.00	7.16	-.57	.21	1.93	44.59	1.11	.11	Q	11.8	5.0	3.2	8.2	.20	2.4	07-29-82	37.0	1.2	.6	1.5	2	0282
Carrols Develop	CRL	5.88	5.50	5.75	.13	2.22	6.38	3.97	-.34	.18	-4.50	-52.63	.66	.27	F	69.2	39.0	1.9	8.7	.09	1.6	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	23.25	22.38	23.00	-.38	-1.60	23.38	15.25	.34	.12	4.17	16.88	2.03	.23	S	12.4	14.0	5.0	11.1	.60	2.6	06-24-82	353.9	17.7	.9	14.5	10	1281
Chi-Chis	CHIC	19.13	17.88	18.88	.63	3.42	19.13	10.09	.20	.26	-1.53	-10.98	.55	.22	F	66.6	34.0	11.1	34.3	.00	.0	06-28-82	14.9	2.1	3.1	1.1	1	0481
Ch Full O Nut	CHF	16.50	15.63	15.75	-.88	-5.26	18.00	9.25	-.47	.20	-6.51	16.10	.66	-.44	N	-51.1	20.0	2.7	37.5	.40	2.5	07-01-82	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	33.38	29.75	33.13	3.38	11.34	33.50	25.00	.31	.86	-2.42	16.80	3.52	.15	S	4.6	17.0	10.8	9.7	1.00	3.0	07-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	3.13	3.00	3.13	.13	4.17	3.63	2.50	-.42	.11	-1.49	31.59	-.06	1.37	F	NE	NE	-.6	NE	.00	.0	00-00-00	17.0	-.1	.0	7.2	0	1281
Collins Foods	CF	17.38	15.75	16.00	.00	.00	17.38	7.75	.59	-.64	2.28	7.21	1.69	.57	Q	43.8	15.0	3.2	8.6	.24	1.5	09-24-82	298.0	9.6	1.3	7.4	11	0482
Consul Corp	CNSL	7.25	6.88	7.25	.13	1.75	7.88	5.25	-.19	1.45	-.02	36.72	.00	.08	F	NE	NE	.0	NE	.00	.0	00-00-00	17.6	.0	.7	2.2	3	0582
Cracker Barrel	CBRL	10.75	9.50	10.75	1.25	13.16	11.00	7.25	-.30	1.18	7.73	9.44	1.00	1.01	S	NC	21.0	3.2	10.6	.00	.0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	30.25	27.63	29.38	1.38	4.91	30.25	14.75	.13	.72	-1.28	-29.25	2.47	.45	F	22.2	7.0	3.9	11.9	.64	2.2	09-03-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	20.38	18.50	19.25	.75	4.05	20.38	11.13	-.02	-1.13	-.01	7.79	1.82	.25	N	14.0	19.0	8.3	9.5	.36	1.9	08-09-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	10.75	9.00	10.38	1.50	16.90	11.63	5.78	-.23	1.55	.97	-3.91	1.87	.50	F	36.4	14.0	3.8	5.5	.40	3.9	09-29-82	101.0	3.8	1.5	6.5	14	0582
Hambrg Hamlet	HAMB	5.75	5.50	5.75	.25	4.55	8.25	5.00	-.97	.18	-7.52	75.00	1.35	1.08	F	400.0	-13.0	3.2	4.3	.00	.0	00-00-00	31.6	1.0	.7	20.4	13	0382
Hardwicke	HAWK	1.75	1.75	1.75	.13	7.69	4.38	1.38	.08	.20	-11.29	.00	-2.22	-3.88	S	NC	-62.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	39.25	35.13	37.63	1.63	4.51	41.63	27.63	.32	.22	-.95	31.12	4.22	-.37	S	-9.0	22.0	20.9	10.1	1.80	4.8	08-30-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	36.00	29.88	33.50	2.88	9.39	36.00	21.88	.32	.76	4.45	6.06	3.66	1.20	S	47.8	25.0	7.8	9.0	.80	2.4	06-10-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	51.75	45.50	51.00	5.75	12.71	51.75	33.00	-.05	1.23	5.98	-62.50	NA	NA		NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	19.88	17.00	19.00	1.75	10.14	19.88	7.28	-.19	.80	2.19	-1.28	1.05	.09	S	10.0	31.0	2.7	19.2	.00	.0	01-11-82	166.1	4.5	1.7	12.6	7	1281
Hungry Tiger	HTIG	9.75	8.75	9.25	-.25	-2.63	10.25	6.00	-.88	.74	-1.32	-18.42	.92	.18	N	20.4	41.0	3.2	8.7	.00	.0	08-24-81	49.9	1.6	.8	5.8	4	0881
Imperial Grp	IMT	1.75	1.63	1.75	.06	3.70	1.88	1.06	-.61	.20	3.12	36.49	.24	.00	F	.0	2.0	2.0	7.3	.14	8.0	09-28-82	8462.9	171.0	1.1	.7	2	1081
Intl Dairy Queen	INDQ	16.75	14.50	16.75	2.25	15.52	16.75	9.25	-.02	2.52	-3.21	9.38	1.72	.34	S	22.5	38.0	6.1	9.1	.00	.0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	5.00	4.50	5.00	.38	8.11	5.00	1.75	.57	1.73	1.85	46.43	.34	1.09	F	NE	-34.0	1.4	14.7	.00	.0	10-09-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	6.63	6.00	6.50	.38	6.12	7.63	2.88	-.81	2.41	-4.12	20.27	.63	.29	N	53.7	1.0	3.0	7.8	.16	2.5	08-09-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	23.75	21.13	23.75	2.25	10.47	23.75	15.63	.59	.86	2.19	.20	1.75	.07	F	4.1	20.0	5.1	13.6	.12	.5	05-10-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	3.38	3.13	3.25	-.13	-3.70	4.50	3.13	-1.14	.11	-4.51	.00	-.24	-.17	N	NE	-31.0	-2.9	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	19.00	18.50	18.88	.13	.67	19.25	10.75	-.29	.26	-2.42	14.95	.89	.27	Q	42.8	111.0	8.1	21.0	.00	.0	00-00-00	11.9	.7	.4	.8	1	0381
Karcher Carl	CARL	16.13	14.88	15.38	.50	3.36	16.13	8.88	.11	-.98	1.92	-9.98	1.51	1.69	S	NC	16.0	3.4	9.1	.00	.0	00-00-00	200.6	6.9	1.9	6.4	8	0182
Lubys Cafe	LUB	28.00	26.88	27.75	.25	.91	32.00	23.50	-.46	.35	-.93	-38.64	1.45	.25	N	18.1	23.0	9.1	17.0	.60	2.2	09-03-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	7.13	7.13	7.13	.00	.00	7.25	5.00	-.69	.25	-2.63	-3.57	1.13	-.02	F	-1.7	6.0	5.7	6.3	.00	.0	06-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	47.25	41.00	44.50	2.88	6.91	47.25	31.63	.42	-.60	2.85	24.06	3.20	.37	S	12.6	30.0	4.3	13.5	.30	.7	09-20-82	2000.3	86.1	.9	23.2	16	1281
McDonalds Cp	MCD	85.38	77.75	80.63	2.13	2.71	85.38	57.38	.03	-.97	-.92	19.37	6.54	.95	S	15.7	18.0	10.7	11.5	1.20	1.5	07-20-82	2477.2	264.8	.5	23.0	34	1281
Morrison Inc	MORR	12.13	11.88	12.00	-.13	-1.03	12.38	8.13	-.52	.00	.20	14.86	1.16	.21	F	22.1	8.0	4.1	10.3	.36	3.0	07-12-82	319.8	12.4	1.3	2.7	7	0581
Mr Steak	MSST	1.88	1.75	1.75	.00	.00	3.38	1.75	-.75	-1.39	-3.51	-44.17	.22	-.47	N	-293.7	-23.0	.5	NE	.00	.0	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	1.06	1.00	1.06	.13	13.33	1.78	.59	.54	2.08	-5.95	18.75	.03	.86	F	NE	NE	.6	35.4	.00	.0	09-09-82	16.7	.1	.5	.1	2	0382
Oakbrook Cons	OKCO	10.00	10.00	10.00	.00	.00	10.25	9.00	-.21	.18	.67	.00	1.74	-.83	N	-47.9	3.0	1.3	11.1	.32	3.2	06-08-82	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	5.25	5.00	5.25	.13	2.44	11.38	4.63	-.34	1.16	3.67	31.15	1.01	-.81	N	-84.3	24.0	5.4	35.0	.20	3.8	02-22-82	76.2	4.1	1.9	10.2	7	0681
Piccadilly Caf	PICC	14.50	14.25	14.50	.00	.00	18.13	13.50	-.37	.39	1.38	10.16	1.39	.09	F	6.9	14.0	5.9	10.4	.56	3.9	09-09-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	5.63	5.13	5.25	.13	2.44	8.00	4.50	-.07	-.73	2.12	-5.83	.50	-.09	S	-15.2	-7.0	1.0	10.5	.00	.0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	28.00	26.25	27.25	.75	2.83	32.50	18.00	.24	.13	-2.51	-7.57	.58	.90	S	529.4	41.0	7.2	25.5	.00	.0	00-00-00	36.2	2.6	3.2	.8	8	1281
Ponderosa Sys	PON	22.38	18.50	21.13	1.50	7.64	22.38	11.75	.41	.64	3.32	-19.67	2.01	1.13	Q	137.8	-10.0	2.4	10.8	.40	1.9	06-11-82	353.9	8.5	1.0	20.0	17	0282
Ramada Inns	RAM	5.63	4.88	5.13	.13	2.50	7.38	4.25	-.14	-.73	1.72	-29.86	.05	-1.45	S	-198.6	-29.0	.4	NE	.12	2.3	10-19-81	395.5	1.4	.6	19.0	6	1281
Restaur Assc	RA	4.38	3.75	3.75	-.13	-3.23	5.50	3.25	-.26	-2.45	-1.72	10.14	.97	-.33	S	-32.3	46.0	2.4	5.4	.00	.0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	30.88	28.50	29.50	-.25	-.84	30.88	16.00	-.07	.32	-.53	35.80	3.35	.99	F	41.9	19.0	1.9	8.8	.56	1.9	08-16-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	9.13	8.50	8.63	.00	.00	12.13	6.75	.56	-.80	-.77	-.69	.68	-.08	S	-11.5	51.0	4.5	14.1	.00	.0	06-02-81	49.0	2.2	1.8	2.4	5	1281
Servico Inc	SRVI	8.50	8.25	8.25	.00	.00	9.09	6.38	-.58	-.08	-3.98	66.67	1.54	-.82	S	-41.8	74.0	3.5	7.2	.00	.0	07-09-82	126.4	4.4	1.1	51.0	5	1281
Shoneys Inc	SHON	19.75	18.50	19.50	1.13	6.12	19.75	11.91	-.44	1.12	-.99	9.62	1.03	.25	N	25.7	21.0	5.5	16.0	.16	.8	06-28-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	14.00	12.50	14.00	1.50	12.00	14.00	8.50	.29	3.27	-4.02	53.49	.94	-.66	S	-37.0	43.0	1.4	12.5	.20	1.4	06-25-82	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.88	2.75	2.88	.13	4.55	3.13	2.38	-.56	1.63	-3.01	42.45	.06	-.15	N	-62.5	-32.0	.5	31.9	.00	.0	05-17-79	56.5	.3	1.2	4.6	3	0981
Vailes Steak	VLE	6.88	6.63	6.88	.13	1.85	6.88	4.25	-.28	.58	-4.95	7.14	-.38	-.43	Q	NE	-36.0	-1.5	NE	.00	.0	11-01-78	66.1	-1.0	1.5	6.3	9	0382
Victoria Stations	VSTA	7.38	6.50	6.75	.25	3.85	11.00	5.75	-.23	-1.56	-.27	-41.18	.35	2.20	F	NE	-30.0	1.0	19.3	.00	.0	09-19-79	123.4	1.2	1.0	7.7	10	0382
Wendys Intl	WEN	20.00	17.50	19.13	.88	4.79	20.00	12.25	.20	-.19	1.54	-19.83	1.52	.14	S	9.7	18.0	7.6	12.1	.28	1.5	05-11-82	486.6	36.9	.6	3.8	8	1281
Webb Del E	WBB	7.50	6.75	7.13	.13	1.79	9.13	4.88	-.22	.25	.48	-23.03	.56	.64	S	NE	-28.0	1.3	18.3	.00	.0	11-07-80	414.8	5.3	1.1	16.1	13	1281
Winners Cp	WNER	11.38	10.25	11.00	.75	7.32	11.50	6.38	-.04	-.10	3.82	3.40	.67	.61	S	321.0	5.0	2.1	13.8	.00	.0	00-00-00	72.7	1.5	.3	13.4	7	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

McD's offers notes to cut long-term debt

OAK BROOK, Ill.—McDonald's Corp. has filed a registration with the Securities and Exchange Commission covering $200 million of debt and offered $150 million of this in zero-coupon notes resulting in proceeds of $50 million.

Zero-coupon notes are issued at a price far below face value and offer returns to investors through price appreciation after an extended period of time rather than through interest payments. A shelf registration allows a company to offer such coupons periodically without filing additional documentation.

McDonald's filed a separate shelf registration earlier this month covering $175 million of debt.

Underwriters for the second offering include Salomon Brothers and Blyth Eastman Paine Webber Inc.

In a statement issued at McDonald's headquarters here, a spokesman said the company plans to use proceeds from the offering of zero-coupon notes to reduce other debt.

McDonald's promoted the offering of the zero-coupons in full-page ads in the *Wall Street Journal* and other newspapers.

The company's long-term debt at the end of the first half of 1982 (June 30) was a little more than $1 billion, compared to $883 million on June 30, 1981. McDonald's debt rose steadily to $970 million at the end of 1980 from $688 million in 1977. In 1981, long-term debt dropped to $926 million but rose sharply again this year.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Taco Viva Inc.	3 mos.	5/31	$ 3.256	19			$109,000	(4)
Collins Foods	13 wks.	7/31			$ 88.014	19	3.192	34
Shoney's Inc.	40 wks.	8/31			240.319	19	13.953	25
	12 wks.				79.571	20	4.663	20
Dunkin' Donuts Inc.	39 wks.	7/31			55.536	11	5.072	14
	13 wks.				19.175	15	1.721	14
Ponderosa Inc.	24 wks.	8/12			182.041	4	5.701	13
	12 wks.				93.764	2	3.601	39
Danners Inc.	26 wks.	7/31			76.192		(871,125)	
	13 wks.				40.908		(441,382)	
Acapulco Y Los Arcos	39 wks.		27.362	43			(357,294)	
	13 wks.		9.640	27			411,345	
Carl Karcher Entprs.	28 wks.		119.527	13			5.151	66
	12 wks.		55.290	13			2.725	34
Sambo's Rests. Inc.	6 mos.		140.377				(54.012)	
	13 wks.		74.222				(43.194)	
American Motor Inns	12 mos.		161.388	13			11.331	27
	13 wks.		43.849	12			3.678	23

Source: *Company earnings reports*

—Loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Taco Viva net leaps 47% on 25% sales increase

POMPANO BEACH, Fla.—Taco Viva reported net profits rose 47% to $494,000 for the fiscal year ended May 31, compared to the previous year.

Sales for the 36-unit Mexican restaurant chain and its subsidiary, Boynton Restaurant Supply Inc., increased 25% during the fiscal year to $12.2 million.

Nelson Futch, director of marketing, said the restaurants provided the bulk of the sales and profits.

In the fourth quarter sales increased 19% to $3.25 million while profits dropped 4% to $109,000. The company said the loss was due to "an additional appropriation to the company's profit-sharing fund and the write-off of a demolished leasehold improvement."

The increases in sales and profits for the entire fiscal year were attributed to "a program of tightened operational controls put in place early in the year in anticipation of a lackluster economic outlook," the company said.

Six units were added to the chain during the last fiscal year, financed through internal cash flow, according to a company statement.

Futch said that six more units were expected to open by the end of this calendar year.

Most Taco Viva units are in southeast Florida; two are in Georgia. Futch said the company planned to expand throughout Florida.

Brion Foulke is the president of the privately held company.

Marcus yearly earnings dip 3%

MILWAUKEE—Marcus Corp., a restaurant, lodging and movie theater concern, reported a 3% net profit decline to $5.9 million for the year ended May 27, compared to fiscal 1981.

Revenues fell 2% to $103.8 million, the company said.

Ben Marcus, chairman and chief executive, blamed the declines largely on a "sour economy" and a harsh winter.

Fourth-quarter net profits dropped 11% to $1.5 million, and fourth-quarter revenues dipped 7% to $31.3 million, compared to the 1981 fourth quarter, the company said.

Marcus' restaurant operations generally account for about two-thirds of the company's business. The company's 111 restaurant operations at year-end consisted of 64 Marc's Big Boy coffee shops, several of which were remodeled and given salad bars during the year; 34 Kentucky Fried Chicken outlets, one of which was added during the year; 11 Captain's Steak Joynts dinnerhouses, and two Roy Rogers.

In addition, the company operates 13 Marc's Budgetel Inns, the Pfister, Marc Plaza and Sheraton Mayfair hotels, a Guest House Inn, 84 movie theaters, and two bowling centers.

Collins' first quarter net climbs 34% to $3.2M

LOS ANGELES—Collins Foods International Inc. has reported net income of $3.2 million for the first quarter ended July 31, up 34% over the same period last year. Revenues increased 19% to $88 million from $73.8 million.

Company chairman James A. Collins indicated the earnings improvement reflected strong traffic in company-owned Sizzler restaurants, where first-quarter average sales per unit were up 28%. About half that gain was due to increased customer counts, Collins reported. He also credited the company's improved cash position which produced a net increase in interest income as a contributing factor.

At the end of the first quarter, Collins Foods operated or licensed 443 Sizzler Family Steak Houses and operated or licensed 238 KFC franchises. The company recently announced plans to sell 48 of its fried chicken outlets back to KFC Corp. An announcement of the company's first public offering of stock in its Sizzler subsidiary is expected shortly.

Sysco reporting 28% jump in yearly net

HOUSTON—Sysco Corp. expects to report a 28% rise in net income to $34 million on a 21% revenue increase to $1.7 billion for the fiscal year ended July 3.

For the fourth quarter, the food distribution company expects to report a 32% rise in net income to $9.8 million on a 29% increase in revenue to $475 million.

The increases for the year and fourth quarter were attributed by the company to Sysco's growing share of the food-away-from-home industry. About half of Sysco's business comes from restaurants, an area targeted for growth. Sysco also distributes food to schools, hospitals and other institutions.

Though it is the nation's biggest food distribution company, Sysco has only a 5% market share. It has targeted the fast-food industry as an area for growth. Sysco has shunned fast feeders in the past, mostly because of their limited menus, according to comments by chairman John Baugh.

Sysco Corp. was formed about 13 years ago. Since that time, it has acquired nearly 30 smaller food distributors, including Noble Inc., the nation's seventh largest food distribution company. Other acquisitions are planned, according to Baugh.

Int'l King's Table rebounds from loss

EUGENE, Ore.—International King's Table Inc., operator of 52 buffet-style cafeterias, converted a $1 million fiscal 1981 net loss into $508,000 in net profits for the year ended July 3.

Sales increased 14% to $36.6 million for the 53-week period compared to 1981.

For the fourth quarter, King's Table reported net profits of $266,000, up from $34,000 in 1981, and revenues of $9.7 million, a 23% increase over the 1981 fourth quarter.

The company reopened two units in June, ending the year with 52 cafeterias and one dinnerhouse, Oh Susannah's.

Customer counts increased 10% from 1980 as the company trimmed bank debt by $2 million.

During the year, the company converted all its units to accommodate self-service beverage centers and tightened portion controls by hand-carving meats on the serving line. In addition, the company discounted heavily to attract its base of elderly, retired patrons.

Southern Hosp. to buy 12 Mr. Gatti's pizza stores

NASHVILLE—Southern Hospitality Corp., a 21-unit Wendy's franchisee, agreed last month to buy 12 Nashville Mr. Gatti's pizza outlets from current franchisee Big O Ovens Inc.

The deal was valued at $1.62 million, including a $720,000 cash down payment and the rest paid out over two years from the earnings of the pizza restaurants.

Big O Ovens Inc. is owned by Wayne Oldham, chairman and chief executive of Southern Hospitality, Henry Hillenmeyer, Southern Hospitality executive vice president and John R. Biddinger, a Southern Hospitality director.

The transaction gives Southern Hospitality rights to develop more pizza outlets in parts of Tennessee, Missouri and North Carolina.

Mr Gatti's, a chain of 260 units, is a wholly owned subsidiary of Austin, Tex.,-based LDB Corp., a construction materials firm.

FINANCIAL NEWS
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RESTAURANT NEWS

Nathan's net up 14% in 13-week period

NEW YORK—Nathan's Famous has posted a net income of $358,452 for the 13 weeks ended June 27, a 14% increase over last year's figures for the same period.

Revenues rose $26,000 to $4.8 million for the period. The company had an extraordinary credit of $151,000 which was a tax benefit of net operating loss carryforward. Last year a similar credit in the amount of $141,000 was posted for the second quarter.

Winners raises $5 million in common stock offering

NASHVILLE—Winners Corp. raised about $5.4 million early this month issuing 550,000 shares of common stock at $10.75 per.

Lonnie Stout, chief financial officer, said the proceeds would be used to pay down about $3.6 million in short-term bank debt incurred to develop the 53-unit Mrs. Winner's Chicken & Biscuits fast-food chain. The rest, he said, would be used to develop the chain further.

Winners Corp., formerly Volunteer Capital, was Wendy's largest franchisee until the company sold off most of its 46 California Wendy's outlets. The proceeds of that sale, too, will go to expand Mrs. Winner's.

Stout said the stock sale, underwritten by Bache Halsey Stuart Shields and J. C. Bradford, sold out "in a matter of minutes," the price exceeded by about 25¢, Winner's average trading price in August.

READ CLASSIFIEDS

PAC activity generates $1M + for elections

(Continued from page 1)
contributions made to Federal candidates since the 1980 Reagan landslide, a solid 63% were earmarked for Republicans.

G.O.P. Congressmen and Congressional challengers held an even bigger edge in terms of total dollar contributions from the restaurant industry, capturing almost two-thirds (65%) of the $412,762 contributed by food-service PACs to Federal candidates since the last elections.

The amount of these contributions varied greatly, ranging from as little as $10 to $20 "token" payments, to several thousand dollars in the case of some influential Senate leaders. Most of the contributions weighed in between $200 and $750, however, with Democrats receiving an average of $503 vs. $546, for the average Republican supported by restaurant industry PACs.

Although food-service political fund-raisers often pitch their solicitation attempts at the need to elect new, pro-business faces to Congress, a whopping 95% of all restaurant PAC contributions made to Federal candidates since the 1980 elections went to incumbents.

PAC contributions varied from as little as $10 to $20 in 'token' payments to several thousand dollars for certain influential Senators.

Moreover, the average amount of the industry's contributions to Congressional challengers was far less than the average donation to incumbent Congressmen.

Cynthia Baker—daughter of Senate Republican Leader Howard Baker—collected more restaurant industry PAC contributions than any other challenger. She received an average of $500 each from McDonald's, Burger King and International Holiday Inns for her campaign to unseat House Investigation and Oversight Subcommittee Chairman Albert Gore (D-Tenn.).

Despite the restaurant industry's apparent inclination to "play it safe" by channeling the bulk of its PAC contributions to incumbent Republican Congressmen and Senators, *NRN*'s analysis of food-service political spending patterns uncovered sharp variations from chain to chain.

Greyhound's PAC—the industry's largest—raised more than $145,000 since the 1980 elections, and has already spent close to $100,000 of that warchest, the majority of it on Democratic candidates.

In contrast, a number of other large food-service political action committees still have the bulk of their collections on hand for the final weeks of the campaign.

As of the last F.E.C. quarterly reporting deadline, McD, PepsiCo, Steak & Ale, Morrison's, Shoney's, the International Association of Holiday Inns and NRA each had more than $50,000 available for the current Congressional campaign home stretch.

Although many PACs spread their contributions around to a broad cross-section of candidates, several, including Steak & Ale, bucked this trend. Although the chain plowed more than $30,000 into political campaigns since the last elections, these contributions were limited to a total of only 27 candidates.

Like a number of other restaurant PACs, S&A spent heavily on the campaigns of such

(Continued on page 32)

Calif. employers get exemption

WASHINGTON—Food-service industry operators in California with 50 or fewer employees will get a one-year exemption from general schedule safety and health inspections if a small employer voluntary safety compliance program is approved by the Labor Department.

To qualify for the exemption employers would have to correct any safety and health hazards identified by a state O.S.H.A. consultant following a "wall-to-wall" survey of their establishment. Employees must be invited to participate in the walkthrough during which time the consultant would explain the procedures to follow if any safety complaints arise.

In addition, an accident and illness prevention program including employee training in safe work practices would be the employer's responsibility. Food-service operators also would be required to periodically conduct their own safety inspections and remedy any unsafe conditions.

Adoption of the proposed addition to California's job safety and health plan hinges on Federal acceptance. California is one of 24 states allowed by O.S.H.A. to set and enforce workplace safety and health regulations provided that Federal Labor Department officials approve and monitor the program.

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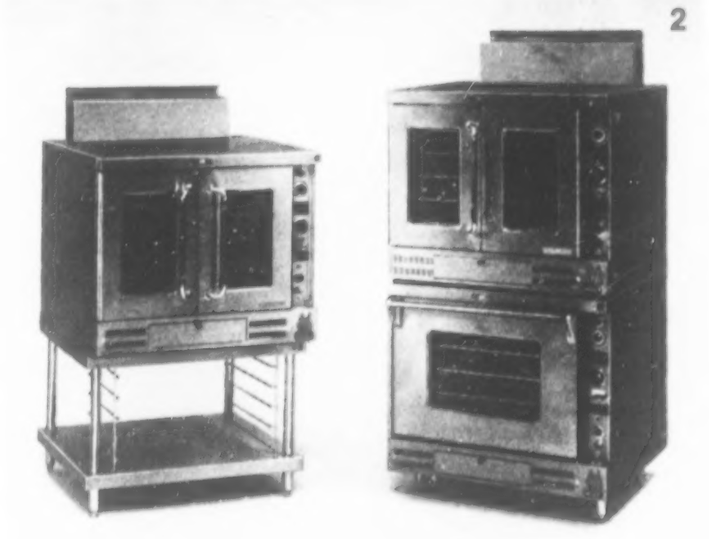
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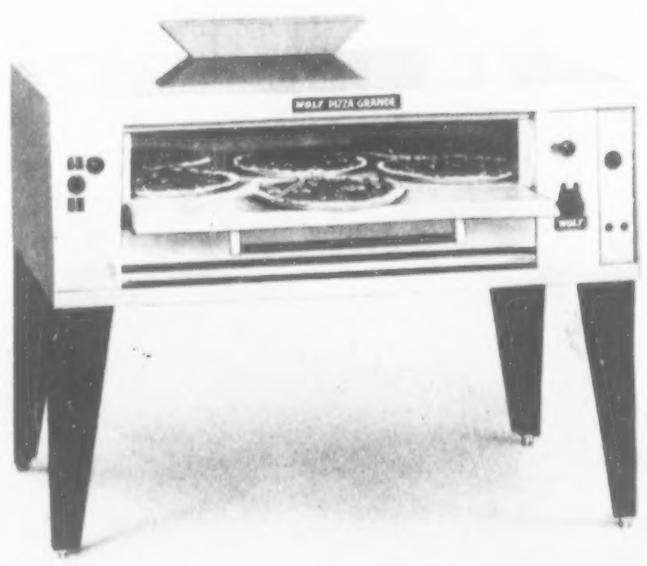

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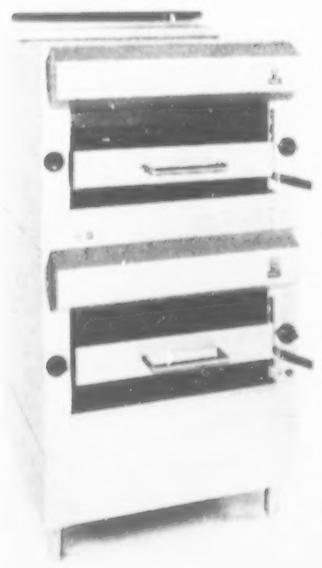
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G.O.P. candidates get majority of PAC funds

(Continued from page 29)

Congressmen as U.S. Travel & Tourism Caucus Chairman James Santini (D-Nev.) and Senate Labor Committee Chairman Orin Hatch (R-Utah).

While most of the industry's fund-raising groups channeled the bulk of the contributions to key committee chairman, some food-service PACs earmarked substantial amounts for Congressmen representing their own home districts.

Five of the six contributions made by Shoney's "Sho-PAC," for example, went to candidates running in Tennessee, while J. B.'s Big Boy restaurants supported only two candidates—both from Utah. International Multifood's PAC gave its single contribution to a candidate from Minnesota, while Ponderosa's PAC exclusively supported three candidates from Ohio.

On the other hand, United's fund-raising group spread its money out among candidates from 35 states, with proportionately more contributions earmarked for Senate candidates. Senate candidates received at least $1,000 while the average contribution for House candidates was $650, with some getting as little as $100.

Marriott's PAC also favored Senate candidates, with five of its six contributions going to Senate members. Spending very little of its $49,000, Marriott's fund-raising group still has well over $40,000 left.

One of the 10 most active restaurant industry PACs was Burger King, spending nearly $58,000 over the last 20 months. Playing both sides of the fence, Burger King's PAC spread its money almost evenly between the two parties, with Republicans receiving half of the contributions and slightly more than half of the total dollar contributions.

The NRA has collected nearly $80,000 in PAC contributions and appears poised to achieve its fund-raising goal of $100,000.

Other restaurant chains, however, tilted their campaign spending overwhelmingly toward G.O.P. candidates. McDonald's and Jerrico, for example, earmarked over 70% of their spending for Republicans; Morrison's channeled better than 80% of its PAC funds to G.O.P. candidates, and of the 32 PAC contributions made by White Castle since the 1980 elections, not one went to a Democrat.

Several key food-service trade associations have also been actively raising funds for the '82 elections. The National Restaurant Association, for example, has already collected nearly $80,000 in PAC contributions and appears poised to achieve its fund-raising goal of $100,000 for this year's House and Senate races.

Significantly, NRA's contributions so far have been heavily tilted toward Republicans. But the bulk of the association's '82 political warchest is still in the bank and indications are NRA will be able to make a big splash during the final weeks of the campaign.

In contrast, the International Franchise Association has divided its far more modest PAC funds more evenly between the two parties, with Democratic candidates enjoying a slight edge.

WHO'S WHO IN FOOD-SERVICE POLITICAL FUNDRAISING

PAC SPONSOR	PAC Collections For '82 Campaign	Dollars on Hand From '80 Elections	PAC Contributions To: Federal Candidates	State Candidates	Other Industry PACs	Admin. Costs	Funds Available For '82 Campaign Stretch
Burger King	$ 62,609	$ 1,616	$ 56,375	$ 1,000	$ 0	$ 607	$ 6,243
Carl Karcher	5,800	60	0	0	0	0	5,860
Greyhound	145,113	13,055	75,400	18,180	0	662	63,926
Hardee's	8,348	2,953	400	0	0	201	10,700
Heublein	10,092	1,753	2,300	0	0	0	9,545
Holiday Inns	25,554	1,883	15,950	200	2,500	215	8,572
International Association of Holiday Inns	78,012	3,969	25,650	0	500	452	55,379
International Multifoods	4,068	1,541	250	0	0	0	5,359
JB's Big Boy	4,768	755	1,150	0	0	400	3,973
Jerrico	30,636	4,175	7,000	0	6,900	686	20,225
Marriott	49,164	3,940	4,500	0	7,000	767	40,837
McDonald's	85,825	28,294	36,335	0	0	418	77,366
Morrison	55,083	13,713	10,150	0	1,500	3,297	53,849
Pepsico	93,016	11,797	38,275	100	0	4,336	62,102
Ponderosa	6,650	609	1,125	200	0	125	5,809
Ralston-Purina	9,690	802	4,580	0	500	2,020	3,392
Shoneys	68,957	0	5,000	0	0	9,242	54,715
Steak & Ale	86,634	0	30,422	0	2,000	1,350	52,862
Stouffer	14,290	2,508	100	0	0	500	16,198
United Air Lines	64,039	12,831	34,600	0	0	2,064	40,206
Whataburger	0	0	0	0	0	0	0
White Castle	25,029	7,528	7,600	0	0	985	23,972
TRADE ASSOCIATIONS							
American Hotel Motel Association	92,639	30,540	33,100	0	500	1,358	88,221
International Franchise Association	14,617	720	8,100	0	0	0	7,237
National Restaurant Association	79,668	6,759	13,400	0	0	505	72,522
Texas Restaurant Association	1,575	153	1,000	0	0	0	728
TOTALS	1,121,876	151,954	412,762	19,680	21,400	30,190	789,798

Source: *NRN* Analysis of Federal Election Commission Reports

*As of 7/15/82

WHERE RESTAURANT CAMPAIGN MONEY IS GOING*

PAC SPONSOR	Dollars Contributed Democrats	Dollars Contributed Republicans	Number of Contributions Democrats	Number of Contributions Republicans
Burger King	$ 24,825	$ 31,550	58	57
Greyhound	39,750	35,650	77	82
Hardee's	0	400	0	1
Heublein	1,300	1,000	3	1
Holiday Inns	4,450	11,500	5	11
International Assn. of Holiday Inns	4,150	21,500	9	39
International Multifoods	0	250	0	1
JB's Big Boy	150	1,000	1	1
Jerrico	1,950	5,050	6	10
Carl Karcher	0	0	0	0
Marriott	500	4,000	1	5
McDonald's	8,400	27,935	13	55
Morrison	1,400	8,750	5	18
Pepsico	9,350	28,925	22	52
Ponderosa	625	500	1	1
Ralston-Purina	1,660	2,920	6	14
Shoneys	3,000	2,000	5	1
Steak & Ale	8,000	22,422	8	19
Stouffer	100	0	1	0
United Air Lines	18,500	16,100	40	24
Whataburger	0	0	0	0
White Castle	0	7,600	0	32
TRADE ASSOCIATIONS				
American Hotel Motel Assn.	10,550	22,550	11	32
International Franchise Assn.	4,200	3,900	12	11
National Restaurant Assn.	1,700	11,700	4	21
Texas Restaurant Assn.	1,000	0	1	0
TOTALS:	145,560	267,202	289	489

Source: *NRN* Analysis of Federal Election Commission Reports

*U.S. Congressional Candidates Only

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Bill Miller
(attended Culinary Institute of America; now at Florida International Univ.; will probably join business)

Susan Miller
(summers)

Sandy Miller
(summers)

Richard Tannen
(Sheldon's son; Irongate)

Cecily Miller
(Jerry Bern's daughter; ex-banquet worker)

Chris Kriendler
(Mac's son; Irongate)

Rachel Berns
(Tony's daughter; pastry chef)

Sheldon Tannen
(son of Kriendler brother's sister Anna)

Monte Sideman
(Kriendler brother-in-law)

Elizabeth Stein
(working in kitchen)

Tony Berns
(Charlie's son)

Florence Kriendler
(Bob's wife; active in business after his death)

Jerry Berns
(Charlie's brother)

Diane Stein
(Jerry Bern's daughter)

Jerry Stein
(ex-Irongate)

Pete Kriendler
(Jack's brother)

Maxwell A. (Mac) Kriendler
(Jack's brother; deceased)

Bob Kriendler
(Jack's brother; deceased)

Jack Kriendler & Charlie Berns
(founding partners; both deceased)

21

Food Service Families
The New Generation

SEE FOCUS SECTION

McD wins lawsuit against Paris franchisee

But loses its share in growing French market

Although the sign reads "open," this and 11 other Paris McDonald's units may soon be shut down under court order.

By Joe Edwards

CHICAGO—McDonald's has won a lengthy court battle against its Paris-area franchisee but by virtue of the victory is left without any meaningful presence in the growing French fast-food market.

Claiming gross violations of sanitary standards at the McDonald's restaurants operated in Paris by franchisee Raymond Dayan, McDonald's attorneys went to court to strip Dayan of his operating license and his exclusive rights to develop 152 other McDonald's units in France.

In a decision handed down last month, Cook County Court Judge Richard L. Curry revoked Dayan's development license and ordered the franchisee to remove all McDonald's signs, equipment and other trademark material from 12 of his 14 units within 30 days.

Dayan is permitted to continue operating two McDonald's units not cited specifically in the suit. The company has notified Dayan it will conduct regular inspections at those units to make sure they meet McDonald's standards for quality, service and cleanliness.

Gerald Mullin, Dayan's Chicago attorney, told *Nation's Restaurant News* at presstime he would file an appeal in Appellate Court of Illinois on or before Oct. 9. Mullin has received an amendment to Judge Curry's original order extending to 90 days the time Dayan has to stop operating his 12 McDonald's units.

McDonald's, meanwhile, plans to re-establish itself in France although it has not disclosed any timetable for such a move. There has been an unconfirmed report McDonald's would turn over its Paris-area development rights to its Canadian subsidiary.

The Paris sites ordered closed by Judge Curry are Dayan's and he can use them for another restaurant concept or lease them to others. McDonald's therefore must start from scratch in its development of the Paris market.

Dayan told the court his franchise operations gross $30 million annually. His average unit sales of $2 million or so are about double the volume of McDonald's restaurants in other European countries.

Dayan has been a McDonald's franchisee since 1972 but his relationship with the Oak Brook, Ill.-based fast feeder has been shaky at best from the start, according to attorney Mullin.

Troubles between Dayan and McDonald's began even before Dayan opened his first unit. In 1970 he filed a lawsuit claiming McDonald's was reneging on its promise to grant him the Paris-area development rights.

Mullin, who was not Dayan's attorney at the time, said a judge ruled in Dayan's favor and ordered McDonald's to grant him a licensing agreement. The court reportedly set the franchisee fee of 1% of gross sales Dayan paid to the company. Other European franchisees

(Continued on page 83)

PUBLISHER'S COMMENTARY

Restaurant critics: Their real purpose

By Thomas Hass

I have been a supporter of restaurant critics, in spite of the overwhelming opinions of most restaurant operators that critics are worthless and serve no purpose. Critics do serve a purpose when they tell the consumer what is good and what is bad about a restaurant.

Unfortunately, good and bad are personal and subjective. In some instances, if a critic is overqualified from a technical point of view, they really do not communicate to the consumer; their words have more meaning to a very limited group of superlative cooks and food technologists.

Many times, I read reviews and imagine the restaurant critic dressed in somber and understated grays geared to enter what seems to be not a restaurant but a Sherlock Holmes laboratory with magnifying glass and a chemistry set, searching for the cumin which has been placed obviously somewhere it shouldn't be. Now finding that cumin is really impressive, since 99% to 100% of the American public has no idea what cumin is—even if their palate were sophisticated enough to find it.

The bottom line is that I am tired of reading about one star, no star restaurants in New York or any other city. As a dining afficionado, I like to know what's good, what's exciting, what's unique and which restaurants provide a truly spectacular eating/social experience.

Therefore, I will provide you with my opinion of what I think is a superb restaurant. In fact, I will give this operation four "golden forks" because I think it is great. The name of the restaurant is the Quilted Giraffe. It is located at 995 2nd Ave. in New York City. The owners are Barry and Sue Wine and they are neat people whose warmth and friendliness makes dining in what might otherwise be a pretentious French restaurant atmosphere comfortable. This friendly feeling carries over to service personnel who are low key, conscientious and extremely courteous, all of which makes the experience expensive but fun.

The Quilted Giraffe is an American-run, Nouvelle Cuisine restaurant with beautiful table settings and a magnificent wine list. That list is presented in high-tech style on a computer printout; the computerization allows the Wines to update inventory on a daily basis.

The plate presentation at the Quilted Giraffe is breathtaking, while the menu selection is varied and bold in its uniqueness. I started with raviolli stuffed with finely chopped chanterelles and garnished abundantly with succulant whole wild mushrooms. The sauce was light butter and wine, very understated so as to let the mushroom flavor through loud and clear.

I also tried the marinated salmon with fresh basil which was

(Continued on page 83)

Football strike may leave vendors facing loss

By Rurick Telberg

Food-service concessionaires at the nation's football stadiums were facing at presstime late last month the prospect of losing $2.5 million in sales for every Sunday that the National Football League Players Association remained on strike.

In addition, hundreds of tavern-owners across the nation, dependent on fans to watch big-screen TV, were braced for quiet Sundays and lonely Monday and Thursday nights.

"We'll close up," said Jerry Kaye, general manager of the Sports Deli restaurant in Los Angeles which features two big TVs and nine others throughout the 260-seat restaurant.

"We'll lay off our help four and a half hours early," he said.

The last time a major league sport went on strike—the baseball strike of 1981—the Sports Deli was sold, Kaye said.

"For every two people who come to the ball park, we sell a hotdog," said Rob Forbes, general manager of the Baltimore Colts' stadium for the Volume Services Division of Interstate United. "We're not going to sell many hotdogs to empty seats."

"You can't have contingency plans when you don't know how long the strike will last or how many games will be left," said Sheldon Silver, a spokesman for Interstate United, which in addition to Baltimore, handles stadiums in Kansas City, Minnesota, Tampa Bay, Chicago and Anaheim.

Contract feeders, who figure that football fans spend roughly

(Continued on page 83)

Spouses invited to tour Capitol

Varied program at MUFSO '82

WASHINGTON—An elegant program of tours and lectures by Washington personalities will be available to spouses of food-service operators attending this year's Multi-Unit Food Service Operators conference (MUFSO) at the Washington Hilton Oct. 24-27.

(The conference itself is sponsored annually by *Nation's Restaurant News*. For registration information, call 212-371-9400, ext. 282. The full program will include many newsmaking speakers including Pizza Time Theater founder Nolan Bushnell, Sen. Ernest Hollings, Adm. Hyman G. Rickover and economist Otto Eckstein.)

Devised and coordinated specially for MUFSO '82 by Washington Whirlaround, a meeting planning firm run by a group of prominent Washington women, the spouses program will kickoff Sunday, Oct. 24 at 10 a.m. with a tour of Washington restaurants that is open to all conference attendees.

Visits are scheduled at Rive Gauche, The Broker, Germaine's, and Le Lion D'Or during the three-hour tour.

Concurrently, for those not interested in visiting the restaurants, a guided visit to Washington's home in Mount Vernon and to historic sites in Alexandria, Va., will be available.

Monday morning, following breakfast, a tour of the Capitol is scheduled, including visits to areas not generally open to the public.

From the Capitol the spouses group will be going to Pisces, a private club in Georgetown, for lunch.

Afterward, a State Department lecturer, Mrs. Carter Burns, will address the group on the background of the National Gallery of Art's new East Building. A tour of the I.M. Pei-designed building will follow.

Tuesday morning, the spouses group will tour residential Georgetown with special visits at three private mansions scheduled.

(Continued on page 83)

HIGHLIGHTS IN THIS ISSUE

10 Consumers should not be penalized for their reliance on credit cards, notes *NRN* editor Charles Bernstein in an editorial, yet oil companies are doing it while the Reagan Administration looks the other way, demonstrating in yet another fashion Government insensitivity to the restaurant industry.

11 For its first location in the Northeast, Bojangles has chosen to take a bite of the Big Apple, locating a store in the heart of midtown-Manhattan.

12 Operators who find themselves embroiled in a formal N.L.R.B. dispute can expect to wait 13 months for a decision, or about 300% longer than in the mid-1970's.

18 There's more than good publicity involved when a restaurant makes headlines by spending big bucks at a wine auction. It's also good business, explains Wine & Spirits columnist Mort Hochstein.

52 Despite initial bad press, the Lobel family—known for five generations as New York's prime supplier of meat to the wealthy and famous—is getting their first restaurant venture on the right track.

64 Davre's Inc. is putting finishing touches on its newest tableclother, set to open in the Georgia-Pacific Center next month where the company already has one huge foodservice operation in place.

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COMMODITIES

Beef prices falling, but pork still high

NRN Special Report

The good news continues this month, although the picture is a little more mixed than at the beginning of September.

Beef prices are down, substantially below last year, and it looks they will likely stay down throughout the end of the year, although there may be some temporary rises (yo-yo effect). The U.S. Department of Agriculture, in a mid-September survey, found beef raisers in the six key states had put 22% more of their beef on feed lots during August than at the same time last year. This means continued good supplies and lower prices through the end of the year for Choice and Prime grades, but it also means that producers had to cut into their herds to get the steers. This bodes ill for prices next year. Overall herd size is still almost the same as last year.

Pork, on the other hand, is holding at the same carcass price to the meat packers as beef, a phenomenon which occurred last in 1975. Prices of beef have been consistently lower than pork, yet pork continues to sell well. Farmers have been looking at this profitable level of prices and have indicated that they intend to take advantage of the situation by producing more hogs. Since, from inception to market is only about nine months for hogs, this could mean bumper supplies and lower prices by next summer. Meanwhile, pork prices will stay generally high, with some yo-yo effect as supply and demand get out of sync from month to month.

Vegetable Prices Also Mixed

Rain hit the Mountain/Midwestern bean growing areas during the last part of September. This threatens the dry bean crop in both Colorado and Nebraska, boosting the up-to-now low prices of both Great Northern and Pinto beans by about $1 to $1.50 a pound. If the rains do not continue, the prices will probably fall again, since this year's crop is a large one, and pintos, at least, are not expected to be depleted by Mexican purchases this year or next.

Canned peas are a bargain this year. The price of food service 6/10 packs in the Midwest have remained about the same as they were last year, $9.75 a case. In some cases, as the new pack is placed on the market, there are even price concessions to distributors of as much as 50¢ to $1 per case for large lots. Distributors buying now will probably have peas at near last year's prices throughout the middle of 1983.

Frozen pea prices are holding steady, but they are about 6% over last year at packer list prices. However, astute distributors can find bargains as much as 4% lower than last year's prices. Quality, even within the same grade, varies, however. Lowered interest prices have made some packers take a chance with larger inventories than they had planned at the beginning of the season.

Look for an increase in the price of canned green beans soon. Indications are that price increases of from 50¢ or more a case will be announced by packers. Frozen green beans are expected to stay at present prices, although there is a chance of about 1¢ per pound increase if labor and energy prices increase as expected.

Higher french fry prices are surfacing, with frozen suppliers working down heavy inventory levels of last year. This year's pack is expected to be more conservative, with prices continuing to elevate through next year.

Fruit Picture Clouded

Pears are in good supply, but canners have not moved list prices down. What did happen was a flurry of special "deals" in early September, which spread across pears, cling peaches and fruit cocktail. Distributors buying large supplies then will find their basic prices lower than current offerings. While pears are in good supply, clings are actually down by about 10% to 12% under last year's pack, making the price drop flurries less understandable for peaches. With a better pear supply, fruit cocktail packers are planning to put up a more "white" pack than the last couple of years.

Apricot supply is so tight that estimates anticipate packers running out of inventory well before the next pack season. If you

(Continued on page 83)

PRICE MOVEMENT AT A GLANCE

	Sept. 17 1981	Aug. 17 1982	Sept. 17 1982
Beans, green, regular cut, frozen, West Coast (lb.)	$ 0.47	$ 0.45-0.50	$ 0.45-0.50
Beans, pinto, dry, Colorado (cwt.)	$22.50	$13.00-13.50	$14.50
Beef, Choice, 700-900 lb., Midwest (lb.)	$ 1.04	$ 1.03	$ 0.97
Broilers, Grade A, icepack, NYC (lb.)	$ 0.4720	$ 0.4463	$ 0.4450
Catfish, frozen, farm-raised (lb.)	$ 1.76	$ 1.60	$ 1.52
Catsup, Fancy, Calif. (6/10)	$15.80-16.05	$16.30	$16.30
Corn, whole kernel, Fancy, Midwest (6/10)	$10.50	$12.25-12.50	$12.25-12.50
Lettuce Iceberg, Calif. (24s)	$ 5.50-6.00	$ 3.00-4.00	$ 3.50-5.00
Peas, Fancy 4 sieve, Midwest (6/10)	$ 9.75-10.00	$ 9.75-10.00	$ 9.75
Pork loins, Choice, 14-17 lb., Midwest (lb.)	$ 1.05	$ 1.25	$ 1.175

Source: *NRN Research*

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

Founded Hardee's in 1961

Leonard Rawls dies at 51

ROCKY MOUNT, N.C.—J. Leonard Rawls, who parlayed a $20,000 investment in a drive-in restaurant to the $1 billion sales of Hardee's Food Systems, died last month of a heart attack. He was 51.

Rawls founded the Hardee's fast-food chain in 1961 when he and a boyhood chum, Jim Gardner, purchased the rights to a char-broiled hamburger restaurant created by Wilber Hardee of Greenville, N.C., for $20,000.

Rawls was president and chairman of the company until 1975 when he stepped down as president, retaining the job of chairman until 1980.

Hardee's was merged into Imasco Ltd., a Montreal-based tobacco-maker and drug store chain operator, in January 1981.

"Leonard was a visionary," said Gardner, who left the company in 1964 to enter politics. "He had the ability to quickly size up situations and opportunities."

"He helped create the fast-food industry as we know it today," said Charles Bradshaw, chairman of Spartan Food Systems, Hardee's first franchisee and now its biggest.

Joseph Leonard Rawls Jr. was born in Rocky Mount on June 14, 1931, a son of a moderately successful businessman.

He attended public schools and a private academy. He dropped out of the University of North Carolina at Chapel Hill, N.C., after marrying Nancy Lee Williams. They were recently divorced.

He completed his education at Benjamin Franklin University in Washington, D.C., earning a business degree. He later studied at East Carolina University in Greenville, N.C.

After two years in the Army, he opened an accounting practice in 1958 and operated it until he founded Hardee's in 1961.

Rawls guided the company from a handful of units to a publicly held company in August 1963. In February 1972 Hardee's merged with Sandy's fast-food chain of Kewanee, Ill.

(Continued on page 83)

Described as a "visionary," who "helped create the fast-food industry as we know it today," J. Leonard Rawls guided the growth of the Hardee's fast-food chain. Inset shows a jubilant Rawls after winning one of the many industry awards he garnered during a food-service career that spanned over 20 years.

Shoney's franchisee is ordered to halt illegal lie detector tests

By Laura Woda

WASHINGTON—The National Labor Relations Board ordered a multiunit Shoney's franchisee in Georgia to stop requiring employees to undergo illegal lie detector tests and to rehire two waitresses fired last year after engaging in union organizing activities.

That Federal ruling stemmed from a complaint charging that Restaurant Management Services Inc.—which operates 10 franchised Shoney's outlets in the state—forced a number of workers to take polygraph examinations as a ploy to get rid of two prounion Augusta, Ga., waitresses.

For their part, officials at the chain told N.L.R.B. that the tests were administered in an effort to weed out dishonest employees suspected of stealing food from one of the company's three Shoney's franchised restaurants in Augusta.

In testimony before the Board, R.M.S.' Shoney's division operations director William Marstellar told Federal labor regulators that food costs at the company's Washington Road unit jumped abruptly early last year from an average of 33% of gross receipts to 37.6% of sales.

On the basis of the polygraph test results, the franchisee discharged two night shift waitresses—one who had actively engaged in union organizing activities and another who had admitted that she complained of the restaurant's personnel practices to the Labor Board.

Although the company denied that the firings were related to these activities, the waitresses charged that the real purpose of the lie detector exams was to get rid of "the troublemakers in the store."

One of the discharged employees told N.L.R.B. that the polygraph tests were ordered because the chain suspected that she sought Government assistance in resolving job-related problems such as "having to work under an overload and being told to come in even when sick."

Although the waitress never followed through on plans to launch a full-scale union campaign, her contact with union representatives and N.L.R.B. officials distressed the management, the waitress claimed.

Another waitress charged that once the management suspected her of union involvement they tried to threaten her. "You could get into a lot of trouble with the Internal Revenue Service because 'everyone knows that workers do not claim all of their tips,'" Marstellar allegedly told the waitress.

After it became apparent

(Continued on page 83)

2 Lums subsidiaries file for Chapter XI protection

MIAMI—The Wienerwald restaurant empire founded by Friederich Jahn crumbled a little bit more last month as two United States subsidiaries that operate 70 Lums restaurants filed for protection under Chapter XI of the Federal bankruptcy laws.

The stores, long the most marginal in the chain, constitute the lion's share of company-operated units in the system, said Lums attorney Robert Paul.

The 225-unit coffee shop chain recently rolled out an expanded menu while the holdings of Jahn undergo reorganization. Wienerwald filed the European version of Chapter XI in August.

Lums and the International House of Pancakes, another Jahn holding, were said to be up for sale to the highest bidder, but an IHOP spokesman said IHOP had no plans to file Chapter XI.

Together, the Lums and IHOP chains number about 800 units, or about half of Wienerwald's 1,500 restaurants worldwide.

Two filings

The two American subsidiaries that filed for protection from creditors were Interstate Restaurant Systems Inc. and Hospitality Restaurants Inc., both of Miami.

Interstate operates 45 Lums in Florida, Ohio, New York and Illinois. A year ago the company listed 93 units, 35 of them franchised.

Interstate listed assets of $8 million and liabilities of $15.6 million in court papers.

Hospitality owns 25 units, after selling or shutting 18 in recent months. It listed assets of $4.7 million and liabilities of $7.7 million.